

Public School Funding Program

Department of Education & Early Development – Program 7

I. PROGRAM OBJECTIVES

The objective of the Public School Funding Program is to provide State operating funds to school districts for the education of all school age children enrolled in public schools in Alaska.

II. PROGRAM PROCEDURES

The Department provides funds to public school districts in accordance with the procedures outlined in AS 14.17. These funds are distributed to school districts in scheduled payments throughout the fiscal year.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

Funds can be expended for the administration and operation of the district's educational programs for elementary and secondary students. Funds must be expended, budgeted, and accounted for in accordance with requirements established in AS 14.17.520 and 4 AAC 06.120, and the policies and procedures established by the local school district.

Suggested Audit Procedures

- Test transactions to determine whether expenditures were spent for public education purposes; and
- Test transactions to determine whether expenditures are classified in accordance with the Alaska Department of Education Uniform Chart of Accounts and Account Code Descriptions for Public School Districts.

B. ELIGIBILITY

Compliance Requirement

Each public school district in Alaska is eligible to receive funds from the State in accordance with the requirements and procedures established by AS 14.17. The eligibility requirements and guidelines are available from the Alaska Department of Education & Early Development, Division of Education Support Services, School Finance.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING
REQUIREMENTS

Compliance Requirement

State funds to city or borough school districts shall be reduced pursuant to AS 14.17.410.

Suggested Audit Procedure

- There are no special suggested audit procedures.

D. REPORTING REQUIREMENTS

Compliance Requirement

AS 14.17.500 requires each public school district to submit by November 5 an estimate of its average daily membership and other student count data for the succeeding fiscal year. In making this estimate, the district is to consider its average daily membership, other student count data, the pattern of growth or decline in preceding years, and other pertinent information available to the district.

Suggested Audit Procedures

- Review procedures for preparing the report to evaluate adequacy; and
- Review the report for completeness and timeliness of submission.

Compliance Requirement

As per AS 14.17.600, within two weeks after the end of the 20-school-day period ending the fourth Friday in October, each district shall transmit a report to the department that report its average daily membership for that counting period, and any other student count information needed to determine state foundation aid.

Suggested Audit Procedures

- Review procedures for preparing the report to evaluate adequacy;
- Review the report for completeness and timeliness of submission; and
- Trace data back to source documents.

E. SPECIAL TESTS AND PROVISIONS

Compliance Requirement

AS 14.17.505 requires that a district retain no more than 10 percent of the school operation fund in an unreserved fund balance.

Suggested Audit Procedures

- Review all unreserved fund balance designations and determine the percentage total unreserved fund balance represents of that fiscal year's expenditures.
- Review all transfers to determine that they were reasonable and necessary.
- Eligible reserves are defined in 4 AAC 09-160.

Modified 5/01